



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

August 17, 1987

TO: Board of Oil, Gas and Mining

THRU: Kenneth E. May, Associate Director, Mining *KEM*

THRU: Lowell P. Braxton, Administrator, Mineral Resource Development and Reclamation Program *LWB*

FROM: David M. Wham, Reclamation Hydrologist *DW*

RE: Request for Concurrence on Form and Amount of Surety, Southwest Portland Cement Company, Nielson Sandstone Quarry, M/023/012, Juab County, Utah

Attached for your review is the following information:

- 1) An executive summary of the above referenced operation.
- 2) The Division's reclamation surety estimate of \$122,300.00 (2007 dollars).
- 3) A copy of the reclamation bond submitted by the operator in the amount of \$122,300.00.

The Division seeks the Board's concurrence on the form and amount of surety for this project. Please refer to the attached documents for a general description of the project.

Attachments
0457R/88

EXECUTIVE SUMMARY - NEW PERMIT

Mine Name: Nielson Sandstone Quarry I. D. No.: ACT/023/012
Operator: Southwestern Portland Cement County: Juab
P.O. Box 21158 New/Existing: New
S.L.C., Utah 84121 Mineral Ownership: Operator
Telephone: 801-263-3011 Surface Ownership: BLM
Contact Person: Mr. David O. Lower Lease No.(s): N/A
Life of Mine: 20 Years Permit Term: 20 years
Legal Description: Section 11 Township 14 South, Range 3 West, SLBM
Mineral(s) to be Mined: Sandstone
Mining Methods: Surface Mine
Acres to be Disturbed: 32 Acres
Present Land Use: Rangeland and mining
Postmining Land Use: Rangeland
Variances from Reclamation Standards (Rule M-10) Granted: None

Soils and Geology:

Soil Description: Loam, 0-6 inches thick, alkaline, with many
rock outcrops.
pH: 8.3
Special Handling Problems: Moderate erosion hazard.
Geology Description: Thin topsoil lies directly on top of the sandstone
outcrop.

Hydrology:

Ground Water Description: Water table is located below the zone of mining.
Surface Water Description: An ephemeral drainage crossing the mine site
will form the eastern quarry limit. The operator will keep all drainages
clear and unobstructed at all times. No perennial water is found on the
permit area.
Water Monitoring Plan: None required. Insignificant impact to water
resources.

Ecology:

Vegetation Type(s); Dominant Species: Sagebrush, Juniper and limited
dryland grasses and forbs.
Percent Surrounding Vegetative Cover: 12 percent
Wildlife Concerns: No significant concerns identified.
Surface Facilities: None proposed.
Mining and Reclamation Plan Summary: See attached summary

Surety:

Amount: \$ 122,300.00 (2007 dollars)
Form: MR Form 5, Reclamation Bond
Renewable Term: 20 years

ATTACHMENT

Mining and Reclamation Plan Summary
New Permit Application, Nielson Sandstone Quarry

Southwest Portland Cement, Inc.

M/023/012

Juab County, Utah

August 17, 1987

During Operations:

1. Southwest Portland Cement, Inc. will develop and operate a 20 year open pit sandstone quarry. Mining will initiate in the southern portion on the property and proceed in a north-northeasterly direction along the strike of the bed. Approximately 1-2 acres will be opened up each year. There will be no waste tailings piles, buildings, foundations, sewage or any associated facilities located on the mine site.
2. Prior to each mining advance, topsoil will be stripped, stockpiled and protected from erosion.
3. Pit run material will be transported by truck to the Leamington Cement Plant for processing.

Following Operations:

- 1) All equipment and extraneous debris will be removed from the minesite.
- 2) The crushed rock base of the ancillary access/haul road will be removed.
- 3) All disturbed areas, including roads, pads and benches will be stabilized and graded to a rounded configuration with slopes not exceeding 2(H) : 1(V).
- 4) Upon reclamation, the stockpiled topsoil will be spread over all disturbed areas. Additional soil material will be obtained from several alluvial deposits located on or near the minesite area.
- 5) Standard agronomic practices will be used to prepare the seedbed for drill and/or broadcast seeding. Disturbed areas will be reclaimed with native vegetative species.

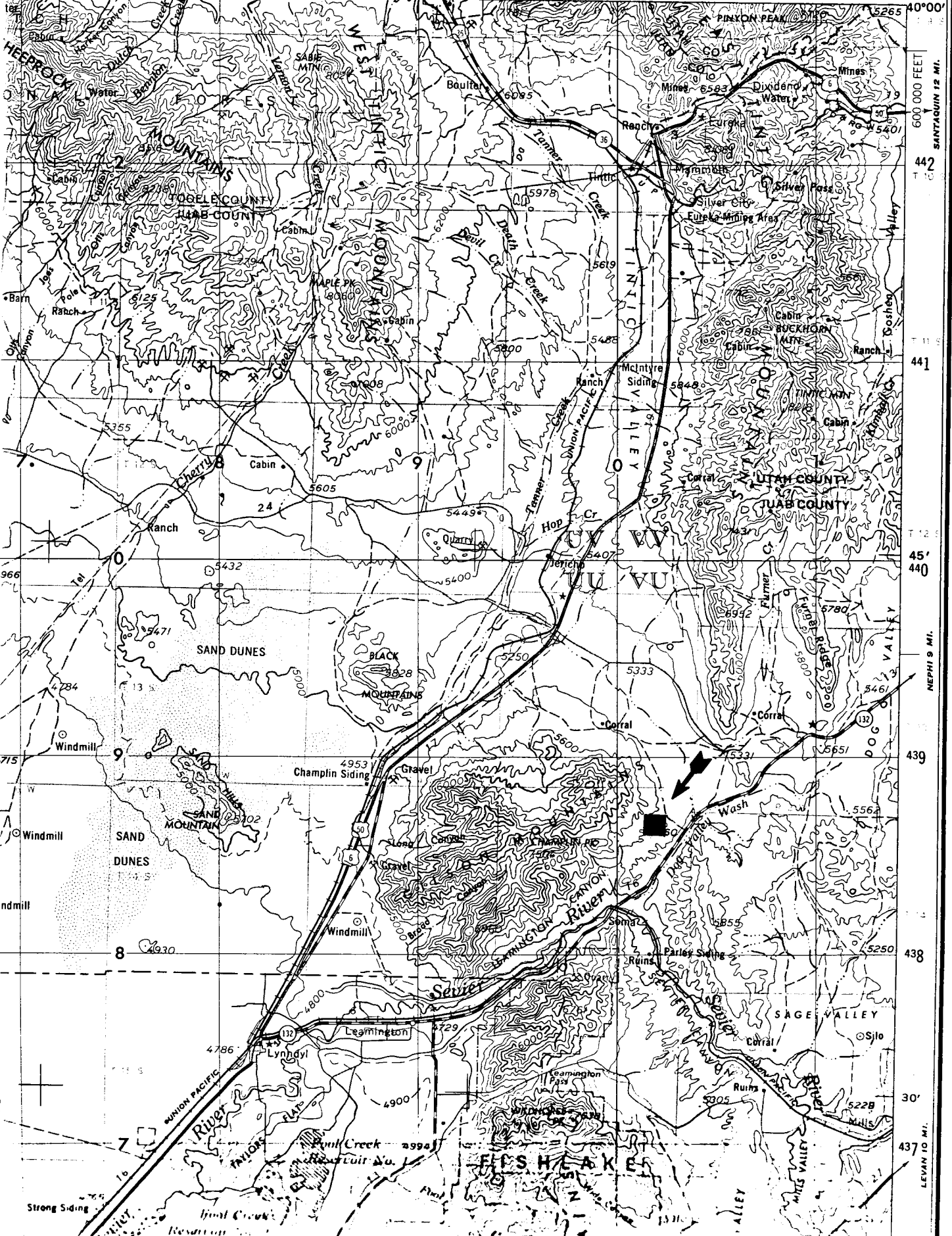
Nielson Sandstone Quarry, M/023/012
 Southwest Portland Cement Company
 Bond Estimate by Frank Filas
 June 18, 1987

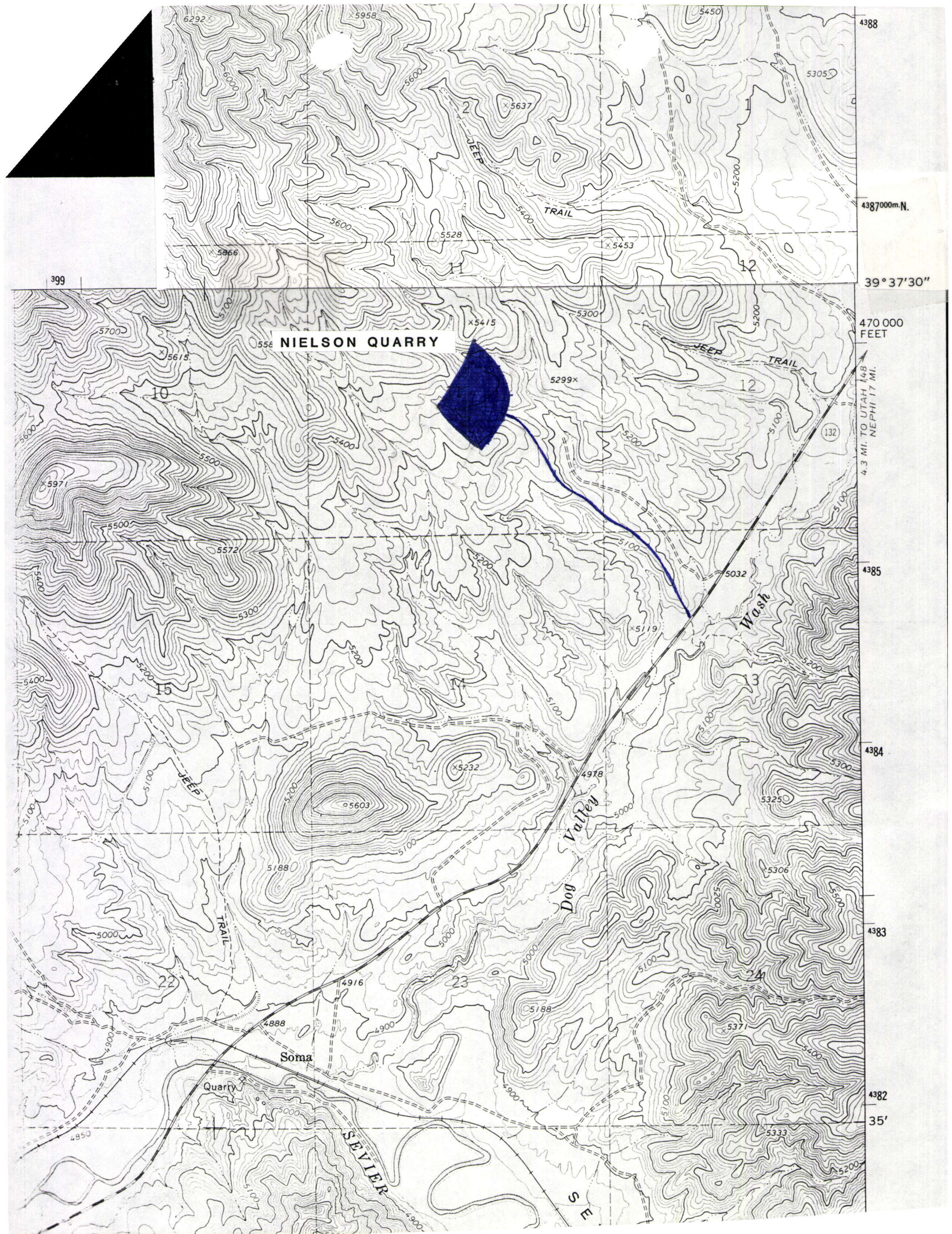
1. Blast Down Highwalls Air Track Drill	2 weeks	\$11,000
2. Grade and Contour Pit Area D-8 Dozer	2 weeks	12,600
3. Haul and Spread topsoil, Scarify Seedbed 615 Scraper	4 weeks	20,800
14G Grader w/ripper	2 weeks	9,600
D-8 Dozer	2 weeks	12,600
4. Revegetation (includes borrow areas) Tractor and Drill Seeder	1 week	2,600
Seed and Fertilizer \$140/acre x 40 acres		<u>5,600</u>
Subtotal		\$74,800
5. 10 Percent Contingency Engineering Costs, Reseeding, Mobilization, etc.		<u>7,500</u>
Total (1987\$)		\$82,300

*Note: Equipment costs are derived from blue book rental rates and include operator and maintenance costs plus subcontractors' profit.

Adjustment for Inflation at Two Percent Per Year

<u>Bond Period</u>	<u>Year</u>	<u>Amount</u>
1	1988	\$ 83,900
2	1989	85,600
3	1990	87,300
4	1991	89,100
5	1992	90,900
10	1997	100,300
15	2002	110,800
20	2007	122,300







SOUTHWESTERN PORTLAND CEMENT COMPANY
MOUNTAIN DIVISION

4885 South 900 East, Salt Lake City, Utah 84117 • (801) 263-3011

August 10, 1987

RECEIVED

AUG 11 1987

**DIVISION OF OIL
GAS & MINING**

State of Utah Natural Resources
Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203

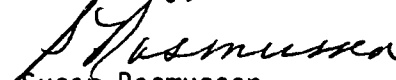
Attention: Dave Wham
Reclamation Hydrologist

Dear Mr. Wham,

Enclosed please find our bond in the amount of \$122,300.00 for the Nielson sandstone quarry M/023/012, Juab County, Utah.

Thank you for your cooperation in completing this permitting matter. Should you have any questions or require additional information, please feel free to contact me.

Sincerely,


Susan Rasmussen
Division Controller

cc: w/attachments
Terry Kerby
Larry Hodges
Bob Weeks

SAR/hm

5447B

(August 1986)
(Noncoal)Bond Number ~~88811111~~
Permit Number M/023/012
Mine Name Nielson Sandstone QuarrySTATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340**RECEIVED**
AUG 11 1987DIVISION OF OIL
GAS & MINING

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Southwestern Cement Enterprises, Inc.
as principal, and American Casualty Company of Reading, Penn- as
surety, hereby jointly and severally bind ourselves, our heirs, sylvania
administrators, executors, successors and assigns unto the State of Utah,
Division of Oil, Gas and Mining in the penal sum of One Hundred Twenty-Two
Thousand Three Hundred- dollars (\$ 122,300.00).

The principal estimated on the Mining and Reclamation Plan filed with the
Division of Oil, Gas and Mining on the 18th day of June,
19 87, that 40 acres of land will be disturbed by this
mining operation in the State of Utah. A description of the disturbed land is
attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

This bond is noncancellable by the surety at any time for any reason
including, but not limited to, nonpayment of premium or bankruptcy of the
permittee during the period of liability.

NONCOAL
MR-5

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

Dated this 5th day of August, 19 87.

State of Utah
Board of Oil, Gas and Mining

Gregory P. Williams, Chairman

SOUTHWESTERN CEMENT ENTERPRISES, INC.
Principal (Company)

By W. J. Conway
Company Officer - Position
W. J. Conway, President

Date: August 6, 1987

AMERICAN CASUALTY COMPANY OF READING,
Surety (Company) PENNSYLVANIA

By Linda Frey
Surety Company Officer - Position
Linda Frey, Attorney-in-Fact

Date: August 5, 1987

APPROVED AS TO FORM:

By _____
Assistant Attorney General

3421B

AFFIDAVIT OF QUALIFICATION

Linda Frey, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

(Signed)

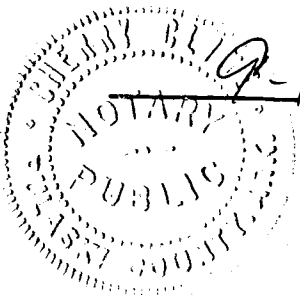
Linda Frey

Surety Company Officer - Position
Linda Frey, Attorney-in-Fact

Subscribed and sworn to before me this 5th day of August, 1987.

Sherry Clunie
Notary Public

My Commission Expires:



1282R-7-9



POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Charles H. Harper, Charles C. Campbell,
William R. Plegge, Linda Frey, Dale E. Temple, John Gerety, Tanya L. O'Donohue,
Melanie D. Moon, Individually
of Little Rock, Arkansas
its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company:

"Article VI—Execution of Obligations and Appointment of Attorney-in-Fact

Section 2. Appointment of Attorney-in-fact. The President or Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 11th day of November, 1966:

"Resolved, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 2 of Article VI of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed this 27th day of May, 1987.

State of Illinois)
County of Cook) ss



AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

J. E. Purtell

J. E. Purtell

Vice President.

On this 27th day of May, 1987, before me personally came J. E. Purtell, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Glenview, State of Illinois; that he is a Vice-President of AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, the corporation described in the which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Leslie A. Smith

Leslie A. Smith

Notary Public.

CERTIFICATE

My Commission Expires November 12, 1990

I, Robert E. Ayo, Assistant Secretary of AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, do certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 2 of Article VI of the By-Laws of the Company and the Resolution of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said Company this 5th day of August, 1987.



Robert E. Ayo

Robert E. Ayo

Assistant Secretary.

INV. NO. G-57442-A



SOUTHWESTERN PORTLAND CEMENT COMPANY
MOUNTAIN DIVISION

P.O. Box 51, Nephi, Utah 84648 • (801) 864-3803

August 14, 1987

RECEIVED

AUG 17 1987

DIVISION OF OIL
GAS & MINING

Dave Wham
Reclamation Hydrologist
Department of Natural Resources
Division of Oil, Gas, and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

SUBJECT: NIELSON SANDSTONE QUARRY BOND

Bond Number -
Permit Number- M/023/012

EXHIBIT "A"

The disturbed land to be covered by the above bond is located in the Southeast and Northeast $\frac{1}{4}$ of section 11, township 14 south, range 3 west in Juab County. Mining is to take place in Claims SS #5, 6, 8, 9, and 12. Future quarry operations will take place in SS #7, 10, and 13. (See Mining Plan). Any future concerns or questions should be directed to my attention.

Sincerely,

A handwritten signature in cursive script, reading "Terry R. Kerby".

Terry R. Kerby, Plant Designer
SOUTHWESTERN PORTLAND CEMENT COMPANY

TRK/ea

cc

Bob Weeks
Susan Rassmussen